



## **Synthesis of rai workshop, 2 July 2012**

**on**

**Terms of reference for consultation process to develop principles for responsible agricultural investments which enhance food security and nutrition.**

### **Purpose**

The enhancement of responsible and sustainable investment in agriculture is essential to eliminate hunger and malnutrition, and to realize food security, particularly in view of the growing world population, increasing demands and changed consumption patterns with rising incomes. This is also key to enabling a large portion of the one billion people living in poverty to achieve decent livelihoods. Recognizing these facts, the purpose of the principles is to encourage and promote responsible and sustainable investment that fosters food security and nutrition, secure livelihoods for all in a sustainable manner, and contributes to the realization of the right to food.

With this in mind the principles should:

- take into account but not be limited to existing principles, such as PRAI, Voluntary Guidelines on Land Tenure, Voluntary Guidelines on the Right to Food, Large-scale land acquisitions and leases: A set of minimum principles and measures to address the human rights challenge
- guide investment in agriculture
- become internationally recognized and used and, in addition to gaining legitimacy, demonstrate their added value beyond that of existing principles or guidelines

The principles should serve to develop implementation guidelines and tools for all stakeholders:

- to mobilize, catalyze and enable investment and invest towards improved food security and nutrition and the right to food

- to improve investment practices
- to enhance the transparency of investments
- to ensure investment processes are more predictable and inclusive
- to describe which kinds of responsible investments should be initiated and pursued, and how such investments can be conducted
- to set a benchmark and serve as a reference for good practices
- to assist governments prepare legal and administrative frameworks for investment
- to offer guidance for public and private sectors, civil society organizations, farmers, as well as academia and research institutions for activities in the field of agricultural investments.

### **Intended recipients**

All stakeholders that are involved in, benefit from, or are affected by agricultural investments, taking in account their different roles and responsibilities, in particular:

- Governments (regional, national, local) in host states and states of origin of investments
- Private and public investors (including small – medium - large farmers, cooperatives, private companies, state funds, pension funds, financial institutions, commodities traders, partnerships and corporations)
- Civil society organizations, academia and research institutions
- Intergovernmental organizations

### **Type of instrument**

Principles and implementation guidelines that are:

- voluntary, non-binding and consistent with international rules regarding non-discrimination, open investment, transparency and respecting national law and legislation
- endorsed by CFS

**Scope/Themes:**

The scope for the development of principles for responsible investment in agriculture includes:

- all types of investment, including smallholder-sensitive investment, along the agricultural value chain (input suppliers, producers, processors, retailers, consumers and investors) and in agricultural research and extension
- foreign and domestic, public and private, small, medium and large scale investments

The principles should take into consideration:

- the broad diversity of farming systems and agricultural value chains, including small-scale food production, processing and marketing
- existing human rights standards and relevant obligations of states as well as responsibilities of non-state actors
- the impact of various kinds of agricultural investments on the most marginalized segments of the population, rather than focusing merely on the potential for increasing the aggregate production of agricultural products, or only considering macroeconomic indicators
- the need for an enabling environment for investments
- transparency, accountability and good governance
- governance structures, decision making processes (including dialogue and participation, the principle of free prior and informed consent), and conflict resolution
- coordination among stakeholders
- partnerships and cooperation
- long term solutions and short term remedies
- social, environmental and economic impacts
- equitable value chains and alternative business models
- in countries facing significant poverty levels investments have to be directed at promoting farming systems that are sufficiently labor-intensive
- fairness of financial deals
- sensitive to the needs of smallholders; improve ability of producers to access markets
- gender related aspects
- strengthening local food systems to respond to local needs

- sustainable use of natural resources (such as soil, water and biodiversity)
- sustainable agricultural production and processing
- build on VGGT without reopening land tenure issues; making explicit references to the VG GT
- promoting and implementing investment
- reviewing, monitoring and evaluating investment in relation to the accountability of the principles
- not to address trade issues that fall under the remit of WTO
- the need to recognize the special interests and needs of smallholders by Research and Development
- the need to clarify terms, such as investment, responsible, private sector, small-scale farmers, smallholder sensitive investment,...

## **Process**

The inclusive consultation process on rai:

- includes all stakeholders (national, regional and international level) that are key to create ownership and legitimacy
- will be overseen by the CFS Bureau with the assistance of the joint Secretariat and in close collaboration with the Advisory Group, and the involvement of all interested stakeholders
- needs greater participation by the private sector (companies and investors of all sizes) as well as other initiatives (such as CAADP, UN Global Compact, OECD, Grow Africa, national investment frameworks,...) and research
- should respect and promote human rights principles: participation, accountability, non-discrimination and equality, transparency, empowerment, the rule of law and a focus on the most disadvantaged and marginalized
- should take the experiences and lessons learnt from VGGT process as reference

Furthermore the inclusive consultation process:

- needs sufficient resources to be mobilized
- can be conducted through regional, national, thematic or stakeholder specific consultations, multi-stakeholder dialogue, electronic consultation, plenary discussions/negotiations
- should make use of existing forums/platforms/meetings

- needs a schedule clearly outlined well in advance
- should take into account the notion of urgency, simplicity and problem solving, without sacrificing quality or sound/thorough implementation

## **Key questions:**

### The way forward:

Build from ground the up (development of principles: consultations) and top down (analysis of existing instruments), and ensure linkages with other processes, e.g. pilot testing.

- Should the outcome of the consultation/negotiations be principles and implementation guidelines, or should there be two steps-the first establishing a set of general principles, followed by a second step to prepare topic- or stakeholder-specific implementation guidelines?

A bottom up and top down approach could comprise:

- “Preliminary-work” by Task Team on existing principles (such as PRAI, VGGT, Right to Food, UN Global Compact, CAADP, OECD) to identify gaps before CFS in October 2012
- Evidence based analysis of successful investment models and lessons from pilot studies, sectoral surveys with a specific focus on smallholders and on constraints to inform the consultation (October 2012 – June 2013)
- Development of principles for endorsement by CFS 2013 (from October 12-October 13)
- Based on principles approved by CFS 2013 and evidence gained from analysis and sectoral surveys, develop implementation guidelines (for different topics and different stakeholders) for endorsement by CFS 2014

### Further questions:

- Do we assume that fisheries and forests are included, and if so, are changes in the scope needed?
- Do we have to reconsider the name of the principles?